

Washington, D.C. – In a speech during today’s House floor debate on overturning costly federal regulations, U.S. Rep. Tom Rooney (FL-16) urged the U.S. Department of Agriculture (USDA) to reconsider a proposed rule governing livestock and poultry marketing practices.

Rooney, who serves as Chairman of the House Agriculture Subcommittee on Livestock, Dairy and Poultry, said the rule would lead to higher consumer prices, lower produce income and reduced competitiveness.

View Congressman Rooney’s floor statement [here](#) .

Complete text of Congressman Rooney’s statement:

The Honorable Thomas J. Rooney
Floor Statement
February 11, 2011

Mr. Speaker, I rise in support of the resolution on regulations and jobs in particular I would like to discuss USDA’s Grain Inspection, Packers and Stockyards Administration (GIPSA) proposed rule governing livestock and poultry marketing practices.

This proposed rule should be carefully considered for its unintended consequences, particularly for those it is supposed to protect – livestock producers.

In the proposed rule, GIPSA is attempting to overturn numerous judicial decisions by stating, quote, “finding that the challenged act or practice adversely affects or is likely to adversely affect competition is not necessary in all cases” end quote. In other words, a plaintiff would no longer have to show actual harm when challenging a packer’s activity. The rule would also ban packer-to-packer livestock sales and restrict dealers to representing a single packer.

While intended to strengthen the cash market, these changes are likely to actually disrupt orderly market transactions.

It will have far reaching implications for livestock procurement -- impacting producers, packers, processors, retailers and consumers. It far exceeds Congressional intent in the 2008 Farm Bill, lacks a credible economic analysis, and is the result of a flawed regulatory process. A Subcommittee hearing last year demonstrated that concerns are widespread in the livestock community and bipartisan here in Congress. We must continue to examine this proposal and act accordingly.

The 2008 Farm Bill process considered numerous proposals to address livestock marketing and procurement issues. Most of these ideas were rejected by Congress and the USDA was directed to conduct rulemaking on a narrow range of technical issues. The proposed rule that emerged went far beyond the intent of Congress and was seen by many as an agency trying to win via rulemaking what it had failed to win in courts.

USDA determined that this was not a significant rule even though observers assert it will incur costs beyond the \$100 million threshold for a significant rule. Therefore, no comprehensive economic analysis accompanied the proposed rule. At least ten times in the proposed rule, GIPSA states some version of the phrase, "GIPSA believes that potential benefits are expected to exceed costs" without offering any supporting evidence.

The Secretary has since indicated that he will conduct a cost-benefit analysis. The taxpayers appropriated \$13 million this year for USDA's Office of Chief Economist -- that office should have preformed an analysis before the rule was proposed so it could have been available during the comment period.

Concerns about this bill are broad and bipartisan. Members of both parties have raised questions about the scope, process, and intent of this rulemaking.

Our work on this rule is far from complete and we must continue our efforts. Therefore, I rise in support of this resolution.

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